



# Patterns of Large Scale Land Acquisitions – Provisional evidence from the Land Matrix

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## Database characteristics

- Aim of the Land Matrix (LM): Promote transparency and open data in decision-making over land and investment
- Records intended, concluded or failed land acquisitions (land acquired by purchase, lease or concession)
  - For agricultural production, timber extraction, carbon trading, mineral extraction, industry, renewable energy production, conservation, and tourism (focus in this presentation: on agriculture)
  - In low and middle income countries
- Land deals in the database fulfill these criteria
  - Entail a transfer of rights to use, control or ownership of land through sale, lease or concession
  - Have been initiated since 2000
  - Cover an area of 200 hectares or more
  - Imply the potential conversion of land from smallholder production, local community use or important ecosystem service provision to commercial use



## Database content and sources

- Information on investor (origin, type), deal (production intention, size), target region (former land use)
- Attempt to capture dynamics, two key variables
  - Negotiation status
    - (1) Expression of interest, (2) Under negotiation
    - (3) Oral agreement, (4) Contract signed
    - (5) Negotiations failed, (6) Contract cancelled
  - Implementation status
    - (1) Project not started
    - (2) Startup phase (no production), (3) In operation (production)
    - (4) Project abandoned
- Sourcing
  - Currently mainly: Data entry/checking through LM partners/networks based on research/policy reports, official government records, company websites, media reports and personal information
  - In the future: More contributions from the public through Website



## Some prior remarks/explanations

- **Provisional data**
- **Please provide feedback on data and methodology**
- **Land Matrix Website will be re-launched in May 2013**
- Focus on agriculture since database is weaker for other sectors
- Biases due to
  - Open data policies of some countries (e.g. Peru)
  - Interest of media and researchers in certain regions (e.g. Africa), on certain investors (e.g. emerging investor countries) and in certain sectors (e.g. biofuels)
  - Density of LM partner networks (for example, lower in Eastern Europe and Central Asia)
- Important note: Different size variables („intended size“, „size under contract“, „size under operation“)



## The dynamics of the land rush: High demand and high rates of failure

International land acquisitions for agriculture according to negotiation status			
	Number of cases	Intended size (In million ha)	Size under contract (In million ha)
Oral agreement	93	4.4	0.6
Contract signed	482	26.5	16.4
<b>Concluded deals</b>	<b>575</b>	<b>30.9</b>	<b>16.9</b>
Expression of interest	51	2.7	n.a.
Under negotiation	96	5.7	n.a.
<b>Intended deals</b>	<b>147</b>	<b>8.4</b>	<b>n.a.</b>
Negotiations failed	44	6.7	n.a.
Contract cancelled	4	0.1	0.1
<b>Failed deals</b>	<b>48</b>	<b>6.8</b>	<b>0.1</b>

- Area under concluded deals below earlier estimates, but still high
- Aggregate global demand for agricultural land is still high, large number of pending deals
- Intentions/announcements exceed actual contract size by far
- Quite some failure at negotiation stage

Note: Preliminary data, as of April 5, 2013



## The dynamics of the land rush: Slow but ongoing implementation on the ground

International land acquisitions according implementation status				
	Number of concluded deals	Intended size	Size under contract in million ha	Current size under production
Project not started	36	3.1	1.3	n.a.
Startup phase (no production)	43	3.2	1.6	n.a.
In operation (production)	244	11.9	5.7	0.6
Project abandoned	33	3.5	1.6	n.a.
No information	219	9.2	6.6	n.a.
<b>Total (deals or ha)</b>	<b>575</b>	<b>30.9</b>	<b>16.9</b>	<b>0.6</b>

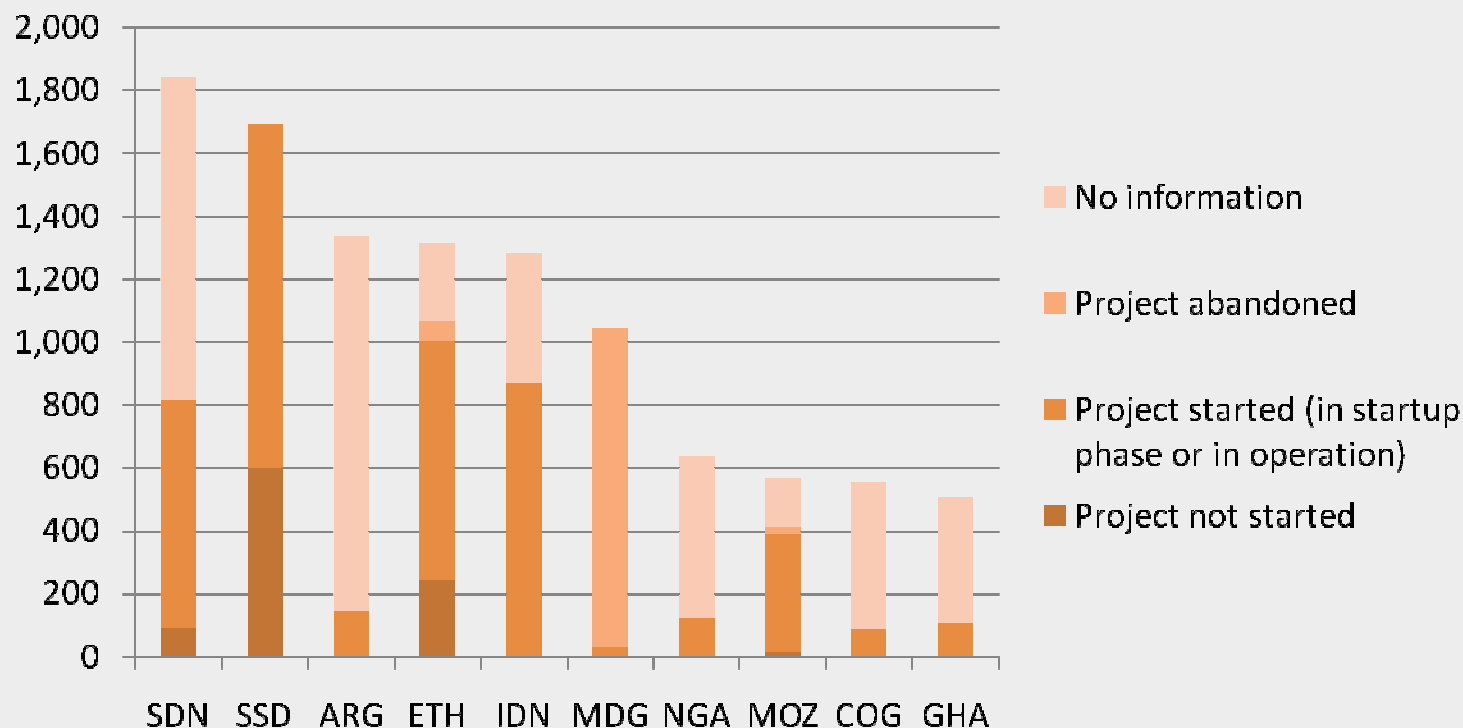
- An important number of deals starts operating (on a contracted area of 7.3 million ha)
- So far, little area comes actually under production
- Quite some failure at implementation stage

Note: Preliminary data, as of April 5, 2013



## Top 10 target countries

### International land acquisitions according implementation status



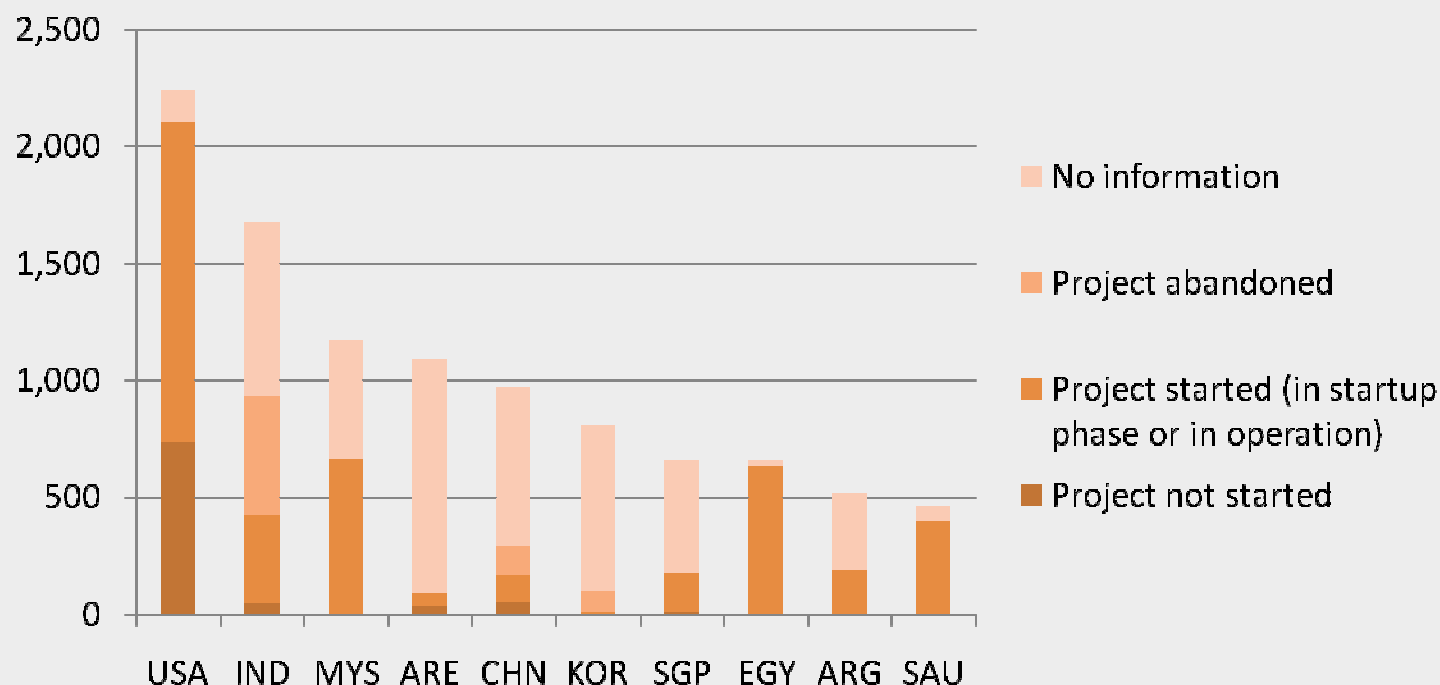
- Confirms that Africa is the most targeted region, SE-Asia important as well (more important role of domestic investment, tbc)
- Dynamics differ considerably across countries
- Sudan/South Sudan: Figures to be treated with caution
- Ethiopia/Indonesia/Mozambique: Large-scale acquisitions that come into operation

**Note: Preliminary data, as of April 5, 2013**



# Top 10 investor countries

## International land acquisitions according implementation status



- Reconfirms notion of three main investor groups: (a) OECD (in particular US), (b) land-scarce/populous emerging economies, (c) emerging economies with competitive advantage in agriculture
- China's role probably overestimated (few confirmed projects that started)

**Note: Preliminary data, as of April 5, 2013**





## The private sector is in the lead, but states are important investors as well

International land acquisitions according to type of investor				
	Concluded deals		Project started (in startup phase or in operation)	
	Number of deals	In 1000 ha	Number of deals	In 1000 ha
Private company	289	17 091	192	5 040
Stock-exchange listed company	16	1 589	9	183
Individual entrepreneur	4	281	2	176
Investment fund	32	1 306	21	294
Semi-state-owned company	4	107	2	0
State-/ government	52	5 382	19	1 032
Other	2	15	1	0
No information	177	5 127	74	797
<b>Total (deals or ha)</b>	<b>576</b>	<b>30 900</b>	<b>320</b>	<b>7 522</b>

- State/government actors engage in very large-scale deals, a larger share of these deals does not materialize

**Note: Preliminary data, as of April 5, 2013**



## Land of smallholders is being targeted, but information on precise location/former use is scarce

Former land owner	Concluded deals		Project started (in startup phase or in operation)	
	# of deals	In 1000 ha	# of deals	In 1000 ha
State	50	786	41	606
Private (smallholders)	15	214	9	68
Private (large-scale farm)	17	540	10	252
Community	15	1 079	11	925
No information	479	14 328	249	5 671
<b>Total (deals/ha)</b>	<b>576</b>	<b>16 947</b>	<b>320</b>	<b>7 522</b>

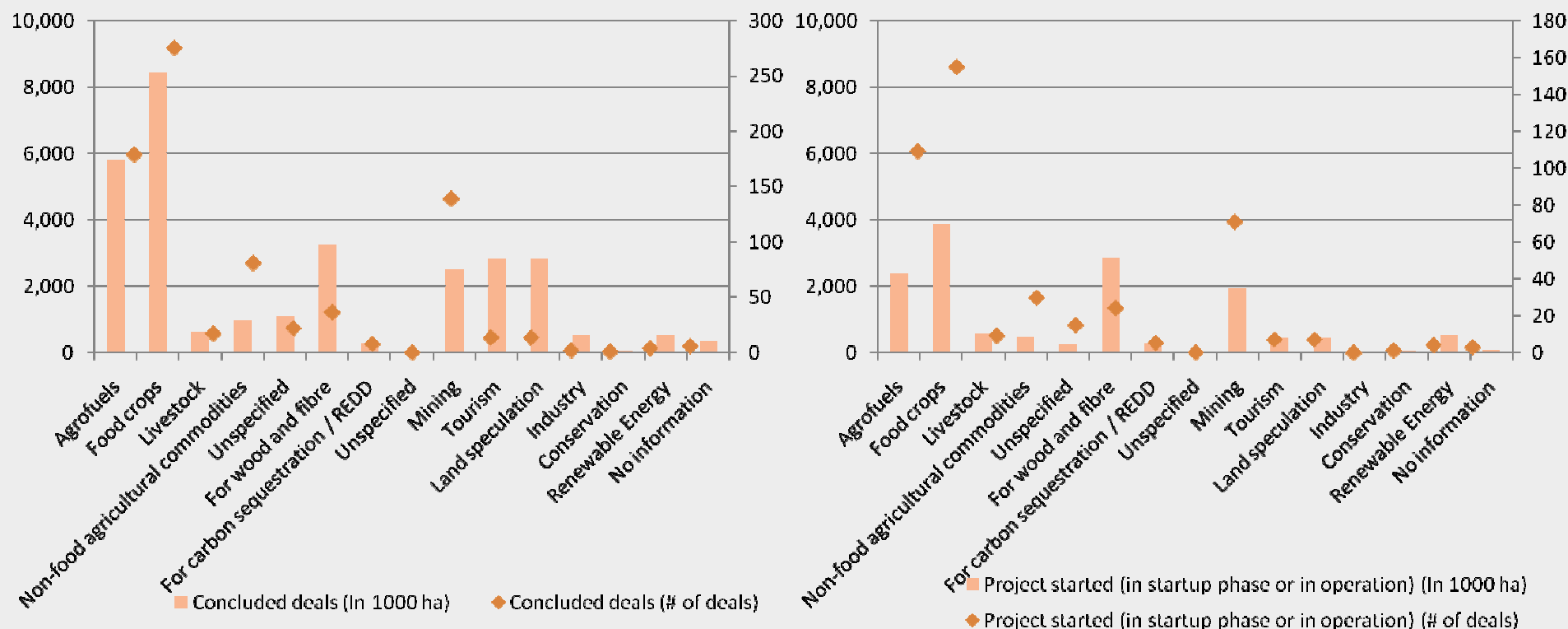
Former land use	Concluded deals		Project started (in startup phase or in operation)	
	# of deals	In 1000 ha	# of deals	In 1000 ha
Commercial (large-scale) ag	27	510	24	408
Smallholder ag	46	866	31	393
Pastoralists	2	191	2	191
Forestry	3	24	1	13
Conservation	3	88	1	79
No information	495	15 268	261	6 438
<b>Total (deals/ha)</b>	<b>576</b>	<b>16 436</b>	<b>320</b>	<b>7 522</b>

- State/community land (probably used by smallholders) as important targets
- Important future task: track precise locations
- Commercial to commercial not focus of the LM

**Note: Preliminary data, as of April 5, 2013**



## Drivers: Food crops are more important than agrofuels



- So far: Only agriculture, LM covers other sectors as well
- Other important sectors: Forestry and mining
- Note: Area for “projects started” is “size und contract”, not “size under operation”

**Note: Preliminary data, as of April 5, 2013**



## Some concluding remarks and the future of the Land Matrix

- Preliminary results demonstrate the importance of analyzing/understanding the dynamics of land deals
  - High demand and high rates of failure
  - Slow but ongoing implementation on the ground
- LM database (and development) illustrates the complexity/practical difficulties of gathering data on land deals
- (Despite our effort) Still a lot of gaps, errors, inconsistencies and biases in the database (source errors, input and design errors)
  - Data to be interpreted with caution
  - Need for your feedback
- Re-launch of the Land Matrix Website and new data in May 2013
- Vision: Establishment of Land Observatories (LM as Global Observatory ([www.landmatrix.org](http://www.landmatrix.org)), National, Thematic and Regional Observatories



<http://www.landmatrix.org>

